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ABSTRACT

In response to Section 901(e) of the Agricultural Act of 1970, this third annual report on the availability of government and government assisted services to rural areas presents developments pertinent to the objectives of the Rural Development Act of 1972. Presented via narrative and tabular data, emphasis is on the following: (1) net rural to urban migration 1960-70 (2.2 million); (2) job development in rural areas as compared with urban areas 1960-70 (drastic declines of -34 percent in agricultural and -16 percent in industrial employment gave rural areas an overall employment gain of 15 percent as compared to that of 27 percent in urban areas); (3) needed new rural jobs to achieve a rural-urban balance 1970-80 (3.1 million jobs for all employable males); (4) needed rural community facilities and services to support rural industrialization (particularly in the areas of health and housing); (5) the farm income situation (increased and increasing farm income at a record \$19.2 million in 1972); (6) coordination of Federal activities in support of State, local, and private efforts in rural development (greater reliance on local initiative); and (7) Federal program outlays applicable to rural areas, for fiscal years 1970, 1971, and 1972 (lacking in coordinated rural development objectives). (JC)

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RURAL DEVELOPMENT

THIRD ANNUAL REPORT
OF THE PRESIDENT
TO THE CONGRESS
ON GOVERNMENT SERVICES
TO RURAL AMERICA

PC-008565

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REPORT OF THE PRESIDENT
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(Pursuant to Title IX,
Section 901(e) of the
Agricultural Act of 1970)

[1972]

CONTENTS

	<u>Page</u>
SUMMARY.....	1
INTRODUCTION.....	4
POPULATION CHANGE AND MIGRATION, 1960-70.....	5
Population Change.....	5
Net Migration.....	6
Population by Size of Places.....	6
Changing Size of Households.....	8
GROWTH IN NONMETROPOLITAN AREA JOBS.....	10
NEEDED GROWTH IN NONMETROPOLITAN AREA JOBS, 1970-80.....	10
NEED FOR RURAL COMMUNITY FACILITIES AND SERVICES.....	13
FARM INCOME.....	16
FEDERAL PROGRAMS - IMPACT ON RURAL DEVELOPMENT.....	17
RURAL DEVELOPMENT ACT OF 1972.....	17
Special FY 1974 Rural Development Program.....	18
Other Authorities Provided by the Act.....	19
FEDERAL OUTLAYS, 1970-72.....	19
APPENDIX.....	22

LIST OF TABLES AND FIGURES

Table 1--Population Change and Net Migration in the United States by Race and Metropolitan Status, 1960-70.....	5
Table 2--Distribution of Nonmetropolitan Places and Territory by Percentage Change in Population, 1960-70.....	8
Table 3--Employment by Industry and Residence, March 1960 and 1970.....	11
Table 4--Labor Force Replacement, Males 20-64 Years of Age, United States, by Metropolitan Status, 1970-80.....	12
Table 5--Local Government Employment in Metropolitan and Nonmetropolitan Counties and Counties by Population Size Groups, October 1967....	14
Table 6--Housing Conditions in the United States, 1970.....	15
Figure 1--Net Migration in the United States, 1950-70.....	7
Figure 2--Population Change in Nonmetropolitan Areas by Size of Place, 1960-70 and 1950-60.....	7

SUMMARY

This is the third annual report to the Congress submitted by the President on the "availability of government and government-assisted services to rural areas," as required by Section 901(e) of the Agricultural Act of 1970. The report stresses those rural developmental problems, needs, and activities relating to the purposes and provisions of the Rural Development Act of 1972.

During 1960-70, a net of only 2.2 million people migrated from nonmetropolitan to metropolitan areas (table 1). ^{1/} This is less than half of the net movement of 5.5 million people to the metropolitan areas during the decade of the 1950's. Nonmetropolitan population increased from 60.2 million in 1960 to 64.3 million in 1970. The male unemployment rate was 3.8 percent in 1970, a substantial decline from 4.9 percent in 1960. There was a comparable change in metropolitan areas during this period.

Despite the migration trends of the past decade, the majority of the incorporated nonmetropolitan places increased in population during the 1960's. Thus, not all rural small towns are "dying small towns"; rather, many are growing communities. The open-country farm population bore the brunt of the rural population loss in the 1960's.

During 1960-70, the number of persons per rural household dropped from 3.56 to 3.32. Thus, many rural counties with declining total population had stationary or increasing numbers of households in the decade. This trend toward smaller rural households is expected to continue for the next two decades. This means that needs for rural housing, electricity, telephones, and other services could exceed expectations which are based solely upon total population changes in rural areas.

The rate of growth in jobs in nonmetropolitan areas compared with metropolitan areas largely explains the migration trends during the past decade. Although manufacturing employment increased 34 percent in nonmetropolitan areas, the drastic declines in employment in agricultural (-32 percent) and mining (-16 percent) industries held the nonmetropolitan areas to an overall employment gain of 15 percent, compared with 27 percent in metropolitan areas.

An estimated net increase of 3.1 million additional nonmetropolitan area jobs will be needed in the 1970-80 decade to provide jobs for all males who reach labor force age plus those who become unemployed due to the expected .5 million decline in farm jobs during the decade. ^{2/} This compares with an actual net employment increase for nonmetro males of working age during the 1960's of .5 million. This net gain takes account of a 1.1 million loss in farm jobs. For employment opportunities to have been provided during the 1960's for all nonmetro males reaching labor force age plus the 1.1 million who became unemployed due to the decline in farm jobs during the decade, about 3.3 million jobs would have been required. The slightly smaller new nonfarm job requirement during the 1970's is due to the expectation that the farm job loss in nonmetro

^{1/} Nonmetropolitan is defined as all counties outside a Standard Metropolitan Statistical Area.

^{2/} USDA estimates that about 1.7 million additional nonmetropolitan area jobs will be needed for women who reach labor force age in the decade.

areas will total about .5 million during the 1970's, compared with 1.1 million during the 1960's.

A major thrust of the Rural Development Act of 1972 is the creation of jobs in nonmetropolitan areas. In addition to providing for direct assistance to promote business and industrial growth, the Act gives major emphasis to developing the community facilities and services that would encourage and support rural industrial development.

According to government employment comparisons of employment per 10,000 inhabitants for various size classes of communities (table 5), the local government functions which appear to be less available in smaller communities include those pertaining to public welfare, health, fire protection, sewer and sanitation, housing, and libraries.

Of the 8.2 million occupied housing units in 1970 which lacked complete plumbing and/or were crowded (13.0 percent of the total number of occupied housing units nationally), 3.7 million units were in nonmetropolitan areas. In rural areas (open country and communities of under 2,500 population), one in five occupied units were so classified, compared with one in 10 in metropolitan areas. The availability of public health services was about twice as great in metropolitan as in nonmetropolitan areas in 1970. The rural development process will require considerable stress on upgrading such rural community facilities and services.

The brightest element in the rural situation today is increased and increasing farm income. It was at a record level of \$19.2 billion in 1972. This has come about mainly through changes in policies incorporated in the Agricultural Act of 1970, and through successful efforts of this Administration to increase exports of farm products.

Total domestic Federal outlays were allocated between rural and urban areas approximately in proportion to the populations of those areas during fiscal years 1970, 1971, and 1972. However, individual Federal programs varied from having a strong rural orientation, such as the farm commodity programs, to having a strong urban orientation, such as Model Cities, on-the-job training, and grants for law enforcement.

The outlays presented in this report represent approximately 75 percent of all Federal programs and outlays for each of the three fiscal years. A substantial number of these programs have high potential for contributing to the objectives of the Rural Development Act of 1972. However, these Federal programs are not directed either exclusively or mainly to rural development objectives, even when applied in rural areas. They operate as independent programs with independent (functional) objectives. The task of coordinating such programs for achieving objectives in rural development, as required by Section 603 of the Rural Development Act, will indeed be formidable.

What is needed is a new approach to Federal assistance in rural development. Instead of the fragmented Federal efforts along narrow, categorical purposes as exemplified by present programs, or of a major reliance upon efforts by Federal administrators to coordinate these fragmented Federal programs, there needs to be greater reliance on State and local initiative.

The President's FY 1974 program and financial plans under the Rural Development Act of 1972 exemplify a significant first step in our determination to make Federal assistance effective in strengthening economic opportunity and community life throughout rural America. Key features of these plans are:

- Heavy reliance on State and local governments for planning and priority setting in connection with the new programs authorized under the Rural Development Act.
- Heavy emphasis on guaranteed and insured loans for industrial development and associated community facilities.
- Reliance on Federal Regional Councils for improved coordination of Federal programs.

INTRODUCTION

This third annual report on the availability of government and government assisted services to rural ^{3/} areas is in response to Section 901(e) of the Agricultural Act of 1970. It also is designed to report on developments pertinent to the objectives of the Rural Development Act of 1972, and to the opportunities this Act provides for new thrusts in rural development.

Emphasis in this report is given to:

- (1) Net rural-to-urban migration, 1960-70
- (2) Job development in rural areas compared with urban areas, 1960-70
- (3) Needed new rural jobs to achieve a rural-urban balance, 1970-80
- (4) Needed rural community facilities and services to support rural industrialization
- (5) The farm income situation
- (6) Coordination of Federal activities in support of State, local, and private efforts in rural development
- (7) Federal program outlays applicable to rural areas, fiscal years 1970, 1971, and 1972.

^{3/} Unless otherwise specified, the term "rural" means the same thing as "non-metropolitan areas." Nonmetropolitan areas are outside Standard Metropolitan Statistical Areas (SMSA's); an SMSA is defined as a county containing at least one city of 50,000 inhabitants or more, or twin cities with a combined population of 50,000, or a contiguous county that is essentially metropolitan in character and is socially and economically integrated with the central city.

POPULATION CHANGE AND MIGRATION, 1960-70

Population Change

During 1960-70, the nonfarm population of nonmetropolitan areas increased at a more rapid rate than the rate for metropolitan areas (19.3 percent compared with 16.6 percent). Because of the 36 percent decline in farm population during this period, the total population increase in nonmetropolitan areas was only 6.8 percent (table 1).

Table 1--Population change and net migration in the United States by race and metropolitan status, 1960-70

Population group and residence	Population		Per- centage change, 1960-70	Net migration				
				Amount		Rate <u>1/</u>		
	1970	1960		1960-70	1960-70	1950-60	1960-70	1950-60
	<u>Mil.</u>	<u>Mil.</u>	<u>Pct.</u>	<u>Mil.</u>	<u>Mil.</u>	<u>Pct.</u>	<u>Pct.</u>	
United States.....	203.2	179.3	13.3	3.0	2.7	1.7	1.8	
Metropolitan <u>2/</u>	138.9	119.1	16.6	5.2	8.1	4.4	9.0	
Nonmetropolitan <u>3/</u> ...	64.3	60.2	6.8	-2.2	-5.5	-3.6	-8.9	
White.....	177.6	158.8	11.8	2.2	2.7	1.4	2.0	
Metropolitan <u>2/</u>	120.1	105.4	13.9	3.1	6.5	2.9	8.0	
Nonmetropolitan <u>3/</u> ...	57.6	53.4	7.8	-.8	-3.8	-1.4	-7.1	
Minority groups.....	25.6	20.5	24.7	.7	<u>4/</u>	3.5	-.1	
Metropolitan <u>2/</u>	18.8	13.7	37.2	2.1	1.6	15.6	18.0	
Nonmetropolitan <u>3/</u> ...	6.8	6.8	-.5	-1.4	-1.6	-20.9	-23.3	

^{1/} Net migration as a percentage of population at beginning of decade.

^{2/} Metropolitan areas as defined in 1969 for the 1960-70 data and 1963 for the 1950-60 data.

^{3/} Nonmetropolitan area is defined as all counties outside of an SMSA.

^{4/} Less than 50,000.

The rapid growth rate of the nonfarm population outside of metro areas has not been widely recognized. Growth of this population has been fostered by a higher rate of manufacturing job growth than the metro areas have had (table 3). Nonagricultural job growth rates have been high in completely rural counties as well as in those with small cities. However, the increase in manufacturing employment is almost exactly offset by declines in farm employment. As a result, the 1960-70 growth in nonmetropolitan population was relatively small.

Given the reduced agricultural employment base in 1970, in absolute terms, further declines in farm employment during the 1970 decade should result in a relatively smaller number of transfers of farm workers to be absorbed in the nonfarm sector. Therefore, further gains in nonagricultural jobs should translate more directly into population retention in nonmetropolitan areas.

Net Migration

The migration of the 1960's was much lower than that of the 1950's, when 5.5 million net movement of people from nonmetropolitan to metropolitan areas occurred. However, there was a net of 2.2 million outmigration of people from nonmetropolitan to metropolitan areas during 1960-70 (fig. 1). This is a very sizable number of people. It contributed to the growth of urban population not only through the direct number of migrants, but also through the subsequent addition of children born to the migrants, who were predominantly young adults.

Recent changes in the economic opportunities and perceived desirability of life in nonmetropolitan areas have not affected all races alike. The improved retention in nonmetropolitan areas in the 1960's compared with the 1950's was almost entirely limited to the white population. Net movement of whites into metropolitan areas dropped from 3.8 million persons during the 1950's to .8 million during the 1960's, a reduction of more than three-fourths. However, the outmovement from rural areas and towns of Negroes, Indians, and other minority populations continued at only slightly less than the pace of the 1950's (1.4 million, compared with 1.6 million). Indeed, their migration comprised more than three-fifths of the total new movement of people from nonmetropolitan areas during 1960-70.

Population by Size of Places

One of the most stereotyped notions of our time is that of the "dying small rural town." The phrase is encountered again and again in discussions of the problems of rural areas. Like most cliches, it has its kernel of truth. But the indiscriminate application of the term to small towns in general is inaccurate. The majority of incorporated nonmetropolitan places increased in population during the 1960's. The more than 13,000 such towns absorbed 2.9 million of the Nation's population growth during the decade, for an average growth rate of 9.6 percent (table 2).

The overall growth rate of nonmetropolitan cities of 10,000 or more people was 10.1 percent, compared with 9.0 percent for small towns of 500 to 999 population (fig. 2). Only among very small places of less than 500 inhabitants did a bare majority of places decline rather than gain. Although very small towns are numerous, accounting for better than 40 percent of all nonmetropolitan places, they do not have a large total population. Just 1.5 million people lived in towns of less than 500 population in 1970, and not more than .7 million lived in declining towns of this size. The great majority of people in nonmetropolitan places live in towns where the population has been increasing, and the typical increase of such places is at or above the national average. This is not to deny the existence of some "dying small towns." They do exist. And their decline poses local problems. But they are usually very small places that have never supplied a full range of services and that collectively do not contain a large total population.

NET MIGRATION IN THE UNITED STATES, 1950-70

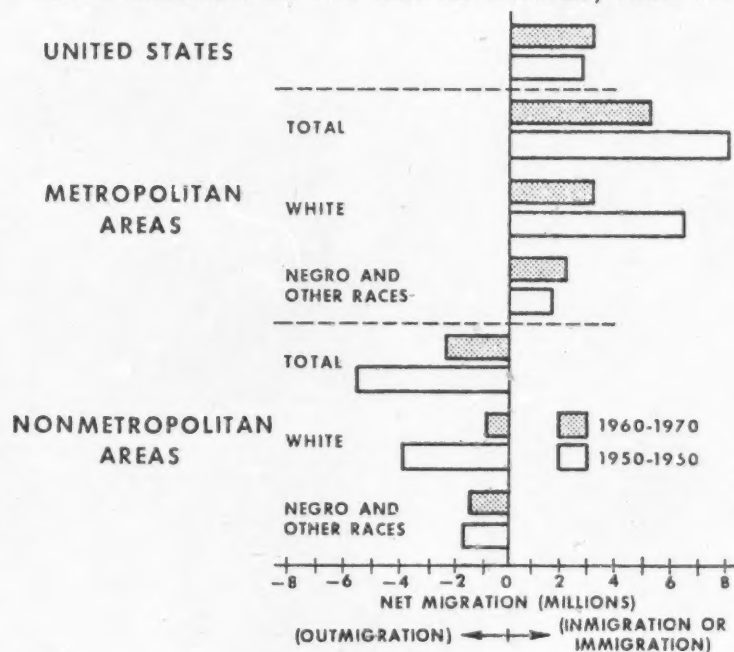


Figure 1

POPULATION CHANGE IN NONMETROPOLITAN AREAS BY SIZE OF PLACE, 1960-70 AND 1950-60

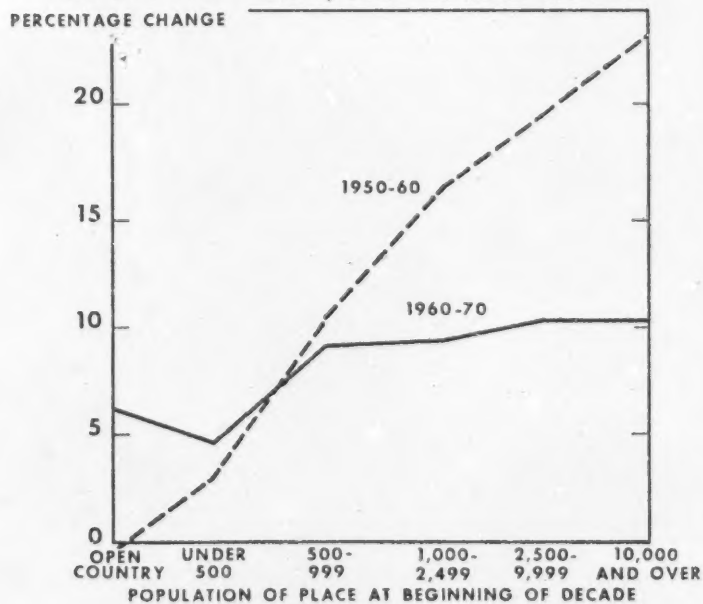


Figure 2

Table 2--Distribution of nonmetropolitan places and territory by percentage change in population, 1960-70

Size of place or population, 1960	Number of places	Population, 1970	Places gaining population, 1960-70	Population change, 1960-70
		Thou.	Percent	Percent
All places.....	13,292	32,684	56	9.6
10,000 and over....	660	14,726	64	10.1
2,500-9,999.....	1,871	10,062	66	10.1
1,000-2,499.....	2,556	4,379	64	9.2
500-999.....	2,594	2,024	60	9.0
Less than 500.....	5,611	1,499	48	4.7
Open country and unincorporated.....		34,709	--	6.0

Source: Unpublished tabulations of the University of Wisconsin and the Rural Development Service, USDA.

The increase in population within corporate limits of nonmetropolitan places averaged around 20 percent in the 1950's, compared with 10 percent in the 1960's. The places of more than 1,000 people have been growing the most rapidly, but at a declining rate. The places of less than 500 people have been growing the least rapidly, but at an increasing rate. The performance of places of 500 to 999 people was intermediate and essentially unchanged.

Many of the residents of open country and very small towns look to the larger places for employment or trade and services. It appears that the same forces of decentralization of population beyond central city corporate limits that have affected so many metropolitan cities have also been working around the nonmetropolitan cities. The majority of urban-sized nonmetropolitan places have annexed territory as suburbanization has taken place. Even so, their growth rate has fallen, for an increasing segment of place-related growth is occurring in outlying rural territory not yet suitable for annexation or in outlying very small towns.

Changing Size of Households

The average number of persons who live together in one household has been declining in the United States for many years. As a result, the number of households in the Nation has been increasing at a more rapid rate than the

population as a whole. A given level of population now occupies more household units than before. Although this overall trend is well known, it has been almost unnoticed in regard to its implications for rural areas. The decline of population in hundreds of rural counties, and its near-stationary condition in many others, has not necessarily been accompanied by a decrease in number of households. And since each household by definition occupies a separate housing unit, the trend of occupied housing units in rural areas has often been different from the population trend.

From 1960 to 1970, the average number of persons per rural household dropped from 3.56 to 3.32. Several factors have contributed to the trend. People are living longer. Thus, marriages typically continue unbroken by death for more years after the children have grown and departed than was formerly the case. This results in many two-person households. And in old age, the greater current prevalence of social security or other retirement income has lessened the need for older people to give up their own homes and seek residence with their children. In addition, the 1960's witnessed a declining birth rate--thus further lowering the average size of households. Consequently, although the rural population (Census definition--open country and communities of under 2,500 population) decreased by .3 of one percent from 1960 to 1970--after reclassification of many growing areas as urban--the number of rural households increased 8.0 percent, with an absolute gain of 1.2 million households.

During the 1960's, there were about 600 counties in which households (and occupied housing units) increased in number while the total population was in decline. In some instances, the difference in population and household growth rates was minor. In others, households increased by as much as 15 percent despite a stationary population. Disparities of this breadth were most common in the South, where a number of areas had a net departure of comparatively large Negro households and a net in-movement of smaller white households.

Stability or increase in number of rural households does not negate the very real effects of community population decline, such as a drop in school enrollment or a decrease in demand for goods and services that are largely related to population numbers, such as food and drink, laundry facilities, or health services. But it may produce expanding demand for housing-related items in the face of population loss, such as heating fuel, roofing, paint, electricity, housing loans, and water and sewer systems. Some of these features have direct impact on Federal programs, such as those of the Department of Housing and Urban Development (HUD) and the Department of Agriculture's Farmers Home Administration, Rural Electrification Administration, and Forest Service.

The trend toward smaller households is almost certain to continue for another decade or two. The present age composition of the population guarantees an increasing number and proportion of older people in one and two person units. And the present propensity toward smaller numbers of children leads to lower household sizes among younger families. Thus, when considering development needs of rural communities, it is necessary to think in terms of a continued increase in number of households and occupied housing units, despite the possibility of stationary or moderately decreasing total population in certain areas.

GROWTH IN NONMETROPOLITAN AREA JOBS 4/

Metropolitan-nonmetropolitan differences in population growth during the 1960's may be largely explained by the metropolitan-nonmetropolitan differential in the growth of jobs. During the 1960-70 decade, U.S. employment grew at an annual rate of 2.7 percent in metropolitan areas, in contrast to 1.5 percent in nonmetropolitan areas (table 3). The growth rate of employment in metropolitan areas was nearly twice that in nonmetropolitan areas.

The relatively small net growth rate in nonmetropolitan employment resulted from the inability of nonmetropolitan areas to attract enough new industry to offset large declines in employment in agriculture and mining. During the decade, the decline in agricultural employment in nonmetropolitan areas totaled roughly 1.1 million jobs.

In general, the lack of growth in employment in the 1960's in nonmetropolitan areas brought about by declining agricultural and other natural resource industries, was cushioned somewhat by the large growth in manufacturing jobs. Manufacturing employment in nonmetropolitan counties grew 3.4 percent per year, in contrast to 1.3 percent in metropolitan areas.

Although nonmetropolitan employment grew in almost all trade and service industries, these growth rates tended to be much smaller than in metropolitan areas.

While the nonmetropolitan areas' share of total national jobs declined from 28 percent in 1960 to 26 percent in 1970, their share of total manufacturing jobs increased from 22 to 25 percent during the decade.

Large numbers of small towns and entirely rural counties gained in manufacturing employment during the 1960's. Data from County Business Patterns reports indicate that out of 2,614 nonmetropolitan counties, 2,039 (78 percent) gained in manufacturing employment during the 1959-69 period, and, of the 2,352 nonmetropolitan counties having less than 25,000 urban residents, 1,810 or 77 percent showed increases in employment in manufacturing industries during the 10-year period.

NEEDED GROWTH IN NONMETROPOLITAN AREA JOBS, 1970-80

A USDA research study being conducted in cooperation with the University of Georgia has a major purpose of estimating the nonmetropolitan labor supply in the 1970's. 5/ When completed, this study will provide information on needed growth in nonmetropolitan jobs in the next decade.

4/ This section is based primarily upon a paper by Claude C. Haren (Rural Development Service, USDA), "Current Spatial Organization of Industrial Production and Distribution Activity," presented at Conference on Problems and Potentials of Rural Industrialization, Purdue University, July 11-13, 1973.

5/ Gladys K. Bowles, "Potential Supply and Replacement of Rural and Urban Males of Working Ages 20-64, for States and Other Areas of the United States, 1970-80 and 1960-70 Decades," paper presented to Southern Regional Demographic Group, Oak Ridge, Tenn., Sept. 27-29, 1972.

Table 3--Employment by industry and residence, March 1960 and 1970 ^{1/}

Area, sector, and industry	Employment		1960-70 increase		Share	
	1970	1960	10-year number	Annual rate	1970	1960
	Thou.	Thou.	Thou.	Pct.	Pct.	Pct.
Nonmetro.....	21,202	18,450	2,752	1.5	26	28
Manufacturing.....	4,904	3,650	1,254	3.4	25	22
Nonmanufacturing.....	16,298	14,800	1,498	1.0	26	30
Nonfarm wage and salary.....	16,188	12,130	4,058	3.3	23	23
Exclusive of manufacturing....	11,284	8,480	2,804	3.3	22	23
Other goods-producing.....	3,487	4,473	-986	-2.2	50	58
Nonfarm 2/.....	1,055	922	133	.4	28	30
Construction.....	679	473	206	4.4	21	19
Mining.....	376	449	-73	-1.6	62	65
Farm.....	2,432	3,551	-1,119	-3.2	75	76
Service-performing.....	11,942	9,474	2,468	2.6	24	25
Wage and salary.....	9,360	6,705	2,655	4.0	22	23
Private industries.....	5,701	4,198	1,503	3.6	19	20
Trade.....	3,095	2,443	652	2.7	21	22
Service groups.....	2,118	1,397	721	5.2	19	20
Fire 3/.....	488	358	130	3.6	14	14
Government.....	3,659	2,507	1,152	4.6	29	30
Other nonfarm 4/.....	2,582	2,769	-187	-0.7	32	34
TCU 5/.....	869	853	16	0.2	20	21
Metro 6/.....	60,468	47,560	12,908	2.7	74	72
Manufacturing.....	14,907	13,249	1,658	1.3	75	78
Nonmanufacturing.....	45,561	34,311	11,250	3.3	74	70
Nonfarm wage and salary.....	54,207	40,980	13,227	3.2	77	77
Exclusive of manufacturing....	39,300	27,731	11,569	4.2	78	77
Other goods-producing.....	3,543	3,300	243	0.7	50	42
Nonfarm 2/.....	2,723	2,198	525	2.4	72	70
Construction.....	2,494	1,956	538	2.9	79	81
Mining.....	229	242	-13	-0.5	38	35
Farm.....	820	1,102	-282	-2.6	25	24
Service-performing.....	38,433	27,854	10,579	3.8	76	75
Wage and salary.....	32,992	22,376	10,616	4.7	78	77
Private industries.....	23,835	16,495	7,340	4.4	81	80
Trade.....	11,585	8,586	2,999	3.5	79	78
Service groups.....	9,142	5,671	3,471	6.1	81	80
Fire 3/.....	3,108	2,238	870	3.9	86	86
Government.....	9,157	5,881	3,276	5.6	71	70
Other nonfarm 4/.....	5,441	5,478	-37	-0.1	68	66
TCU 5/.....	3,585	3,157	428	1.4	80	79

^{1/} Adapted from State employment security agency estimates. (The foregoing data display "occupied jobs"--male and female--which exceed the number of "persons employed" due to multiple job holdings.)

^{2/} Private wage and salary only (other nonfarm component included with services).

^{3/} Finance, insurance, and real estate industries.

^{4/} Self-employed, private household workers, and unpaid family help.

^{5/} Transportation, communications, and utilities industries.

^{6/} Metro areas consist essentially of Standard Metropolitan Statistical Area designations, Jan. 7, 1972.

Research to date indicates that the nonmetro male labor force would increase about 17 percent from 1970 to 1980 in the absence of migration, a somewhat higher rate than during the 1960's and due to the high birth rate years of the 1950's. Estimates are not yet available on the likely increase in the nonmetro female labor supply. The 17 percent potential increase in the nonmetro male labor force implies a need for a 2.6 million net increase in jobs accessible to nonmetro men, unless further outmigration to metro areas is to occur (table 4).

Table 4--Labor force replacement, males 20-64 years of age, United States, by metropolitan status, 1970-80

Area	Total males 20-64, 1970	1970-80				Replacement rate
		Entrants	Departures	Net gain		
	<u>Million</u>	<u>Million</u>	<u>Million</u>	<u>Million</u>		
United States.....	51.4	19.8	11.7	8.1	15.9	
Metropolitan.....	36.3	13.5	8.0	5.6	15.3	
Nonmetropolitan...	15.1	6.3	3.7	2.6	17.2	

Source: Cooperative research of the Rural Development Service, USDA, and the University of Georgia.

During the 1960-70 decade, net employment of nonmetro males increased by .5 million, or 4 percent. This is a net gain taking account of a loss of 1.1 million farm jobs. However, it would have been necessary to have an increase of about 2.2 million, or 15 percent, to accommodate all the nonmetro males who reached labor force age in the decade. Nonmetro unemployment actually declined during this period from a rate of 4.9 percent in 1960 to 3.8 percent in 1970. Thus, either through necessity or choice, a net of about 1.7 million nonmetro males of working age migrated to metro areas in the 1960's (or--to a minor extent--went with the Armed Forces overseas).

A major factor in the competition for the nonfarm job increase in nonmetro areas and in the level of migration to metro areas during the 1960's was the 1.1 million decline in farm jobs in nonmetro areas. During the 1970 decade, it is anticipated that the rate of loss in nonmetro farm jobs will slow somewhat, producing a job loss of about .5 million. Consequently, assuming the foregoing labor force growth estimate of 2.6 million, and the farm job loss in nonmetro areas of .5 million, it would be necessary to create 3.1 million additional nonmetro, nonfarm jobs during the 1970 decade to avoid migration of employment age males to metro areas. This represents a slightly smaller requirement than the 3.3 million job need during the 1960's (2.2 million male labor force growth plus 1.1 million loss in farm jobs). The estimated growth in jobs needed for nonmetropolitan women in the 1970's is about 1.7 million.

Although projections are not yet available for women, it can be said that the proportion of women who are employed has increased even more rapidly in nonmetro areas in recent years than in metro areas. To an increasing extent, the ability of nonmetro areas to retain their population depends on availability of productive employment for women as well as for men.

NEED FOR RURAL COMMUNITY FACILITIES AND SERVICES

The ability of nonmetropolitan communities to expand employment opportunities through attracting new industry and expansion of existing industry in the 1970's depends to a great extent on their comparative advantage in relation to other communities with respect to such factors as trained labor force and location in relation to transportation networks, markets, and so forth. Also of crucial importance are the public services these communities can offer the industry itself and the people it employs. Differences in their comparative advantage, including the quantity and quality of community services in rural communities compared with urban communities, suggest possible differences in the ability of these communities to attract new industries.

Differences in the quantity and quality of public services provided in communities of different size classes are difficult to assess. However, the data presented in table 5 on full-time local government employment per 10,000 inhabitants provide some general insights.

Based on the number of employees per 10,000 inhabitants, access to the following public services varies significantly between communities in metropolitan and nonmetropolitan areas: welfare, health, fire protection, sewer and sanitation, housing, and libraries (table 5). In 1967, the year of the last available data from the Census of Governments, public welfare workers per 10,000 inhabitants numbered almost twice as many in counties with 250,000 or more population as in counties with less than 10,000 residents.

Again, based on the number of local government employees per 10,000 inhabitants, the availability of public health services was about twice as great in metropolitan as in nonmetropolitan areas, and over twice as great in counties with 250,000 or more people as in counties with less than 10,000 people. Further, relative to metropolitan employment per 10,000 inhabitants, nonmetropolitan employment was about one-third for fire protection personnel, one-half for sewerage and sanitation workers and library employees, and less than one-fourth for public housing personnel. All these differences were even greater between counties with 250,000 or more population and counties with less than 10,000 residents.

In 1970, of the 63.4 million occupied housing units in the United States, 8.2 million (13.0 percent) lacked complete plumbing and/or were crowded. Of these substandard housing units, 41.0 percent (3.4 million units) were located in rural areas (Census definition--open country and communities of under 2,500 population), and 44.4 percent (3.7 million units) were outside metropolitan areas (table 6). In rural America, one in five occupied housing units lacked complete plumbing and/or were crowded, in contrast to one in ten in metropolitan areas and one in eight for the United States as a whole.

Table 5--Local government employment in metropolitan and nonmetropolitan counties and counties by population size groups, October 1967

Item	United States 1/	SMSA's	Non-SMSA's 1/	Population size group 2/						
				250,000 or more	100,000 to 249,999	50,000 to 99,999	25,000 to 49,999	10,000 to 24,999	Less than 10,000	
<u>Full-time equivalent employment per 10,000 inhabitants</u>										
All functions.....	278.4	297.9	243.0	300.1	265.1	255.5	252.7	262.7	308.1	
Education.....	153.6	155.9	149.3	149.6	162.0	156.7	156.5	164.1	187.4	
Highways.....	13.4	11.4	17.3	10.8	12.5	14.7	17.1	21.5	30.4	
Public welfare.....	6.7	8.1	4.1	8.9	5.5	4.9	3.6	3.6	3.6	
Hospitals.....	17.9	18.1	17.7	18.8	13.1	17.2	20.9	20.5	21.0	
Health.....	3.1	3.8	1.9	4.1	2.6	2.5	1.8	1.7	1.8	
Police protection.....	16.9	20.6	10.1	22.3	13.6	11.6	10.3	9.6	10.6	
Fire protection.....	8.8	11.4	4.0	12.0	8.6	6.3	4.2	2.4	1.1	
Sewerage and other sanitation.....	8.6	10.5	5.1	11.1	7.4	6.8	5.4	4.6	3.7	
Parks, recreation, and natural resources.....	6.5	8.0	3.5	8.8	5.4	4.1	3.1	3.4	4.1	
Housing and urban renewal.....	2.1	2.9	0.6	3.3	1.4	0.8	0.5	0.4	0.4	
Airports, water transport, and terminals.....	1.1	1.4	.3	3/	3/	3/	3/	3/	3/	
Corrections.....	2.2	2.9	0.9	3.4	1.7	1.0	0.6	0.5	0.7	
Libraries.....	2.5	3.2	1.4	3.5	1.9	1.6	1.4	1.2	1.1	
Financial administration.....	5.5	5.6	5.3	5.6	5.2	5.0	5.0	6.1	9.7	
General control.....	9.5	9.3	9.8	9.3	8.7	8.8	9.4	11.2	18.8	
Local utilities.....	12.3	15.4	6.7	17.1	7.9	7.5	7.8	6.8	5.6	
Other and unallowable.....	7.7	9.2	4.9	11.4	7.5	6.0	4.9	5.1	7.9	

1/ Calculations based on estimated resident population as of July 1, 1967 and its distribution between the 227 SMSA's as of March 1967.

2/ Calculations based on 1966 populations.

3/ Not calculated.

Source: U.S. Census of Governments, 1967, Compendium of Public Employment, Vol. 3, No. 2, tables 8 and 19.

Table 6--Housing conditions in the United States, 1970

Item	United States			Metropolitan			Nonmetropolitan			Urban			Rural 1/		
	Total	Pct. of U.S.		Total	Pct. of U.S.		Total	Pct. of U.S.		Total	Pct. of U.S.		Total	Pct. of U.S.	
Occupied housing units, 1970	63,449,747	100.0		43,862,993	69.1		19,586,754	30.9		47,562,681	75.0		15,887,066	25.0	
Lacking complete plumbing:															
Number	3,772,817	100.0		1,387,282	36.8		2,385,535	63.2		1,471,353	39.0		2,301,464	61.0	
Percent	5.9	---		3.2	---		12.2	---		3.1	---		14.5	---	
Crowded:															
Number	5,210,874	100.0		3,405,318	65.4		1,805,556	34.6		3,599,979	69.1		1,610,895	30.9	
Percent	8.2	---		7.8	---		9.2	---		7.6	---		10.1	---	
Lacking complete plumbing and/or crowded:															
Number	8,237,184	100.0		4,579,356	55.6		3,657,828	44.4		4,837,706	59.0		3,379,478	41.0	
Percent	13.0	---		10.4	---		18.7	---		10.2	---		21.3	---	
Mobile homes:															
Number	2,072,887	100.0		931,721	44.9		1,141,166	55.1		816,900	39.1		1,261,987	60.9	
Percent	3.3	---		2.1	---		5.8	---		1.7	---		7.9	---	

1/ Census definition - communities of under 2,500 population.

Source: Census of Housing, 1970, Series A. (Mobile Homes, Series B)

Any disparity in community facilities or services between rural and urban areas could be largely eliminated by achievements of objectives in rural development. That is, the capabilities of rural communities for financing adequate housing, health, fire protection, sanitation, and other public facilities and services will increase with growth in rural jobs and incomes. Nevertheless, adequacy of local public facilities and services does affect the attractiveness of a community for new business and industrial enterprises. For this reason, these facilities and services should receive major attention in local plans and actions for rural community growth.

FARM INCOME

The economic health of agriculture is one of the major determinants of the economic well-being of many rural people. One of the best indicators of the economic health of agriculture is levels of net farm income--total and per farm.

American farmers reaped a record harvest of \$19.2 billion in net farm income in 1972, up about \$3 billion over the 1969-71 3-year period. Farm people's total personal income from all sources rose \$3.7 billion in 1972, with more than half of this increase being provided by farm income. The ratio of incomes of farm to nonfarm people increased from 78 percent in 1971, to 83 percent in 1972. As recently as 1960, this ratio was about 55 percent. 6/

The Agricultural Act of 1970 provided the initial impetus toward adequate farm income in the marketplace. It helped farmers adjust their production to higher profit opportunities. But the Act expires with the 1973 crops. Administration leaders will be working with the Congress on new legislation for 1974 and beyond, seeking modifications of domestic farm programs to move agriculture another step toward greater reliance on the marketplace, and to provide opportunities for further increases in farm income.

Already there has been a reduction in the decline in farm numbers as a result of improved farm income. Since 1970, farm numbers have declined only 45,000 a year, compared to 113,000 farms lost per year during the 1960's. The opportunities for a young person entering farming have never been brighter.

Farm exports of \$9 billion in 1972 shattered all records for the third year in a row. They are expected to exceed \$10 billion by the end of 1973--another all-time record. Exports are making an expanding agriculture a reality.

6/ Information in this paragraph was taken from a talk by C. Kyle Randall, "The Agricultural Outlook for 1973," presented at the 1973 National Agricultural Outlook Conference, at the U.S. Department of Agriculture, Washington, D.C., Feb. 20, 1973.

FEDERAL PROGRAMS--IMPACT ON RURAL DEVELOPMENT.

Section 603 of the Rural Development Act of 1972 (P.L. 92-419) directs the Secretary of Agriculture to provide leadership and coordination for all Federal programs contributing to rural development. Most Federal programs have some direct or indirect impacts on rural areas, but they vary in degree of actual or potential contribution to rural development.

For many of these programs, developing rural areas per se may be a secondary objective or side benefit--even those programs targeted to serve rural people. For example, the farm commodity programs have objectives concerned with production and prices of farm commodities--not development of rural areas. Also, other USDA programs such as soil conservation, forestry, farm loans, rural electrification, and much of the research are directed toward functional purposes which may or may not affect the development of rural areas.

The major key to coordination of Federal programs for purposes of achieving rural development is not a preselection of a list of programs and a Federal administrative procedure for a coordinated delivery to State or local areas, even though some such efforts in Federal administration may be worthwhile. Rather, the key is State and local planning for rural development, including selection of Federal program services relevant to such plans. This is to say that full success in coordination can occur only at the State or local level--not at the Washington level.

THE RURAL DEVELOPMENT ACT OF 1972

The President's Message to the Congress of February 1, 1972, on the need for a national program of rural development contained the following basic principles or guidelines:

- We must treat the problems of rural America as a part of a general strategy for balanced growth.
- We must reverse the flow of power to the Federal Government and return more power to State and local officials.
- We must oppose the rigidities of narrowly focused categorical grants.
- We must facilitate more adequate advance planning.
- We must reorganize the Federal Government so that it can more effectively support planning and execution at the State and local level.
- We must provide adequate resources and credit, in ways which attract greater private resources for development.
- We must develop rural America in ways which protect agriculture and the environment.

In his statement upon signing the Rural Development Act, the President described the new Act as "... a significant first step in our determination to strengthen economic opportunity and community life throughout rural America." He also observed that a number of congressional additions to his proposals, if funded, would result in excessive budgetary commitments.

The provisions of the Act are both complex and novel. They amend several existing laws and provide program authorities that overlap and duplicate other authorities for existing programs, including those of HUD, the Small Business Administration, the Economic Development Administration, and other Federal agencies. Consequently, the already difficult problem of coordinating Federal assistance to rural communities would be intensified if all of the new authorities under the Rural Development Act of 1972 and other authorities were simultaneously implemented on a nationwide basis.

Special FY 1974 Rural Development Program

To permit taking the "significant first step" called for by the President, while avoiding conflict and wasteful duplication with other activities, and adhering to the principles of fiscal prudence and budgetary restraint required to avoid tax increases, the FY 1974 Budget proposes a limited-scale program designed to test new policies, procedures, criteria, and coordinating mechanisms.

The President's FY 1974 budget request includes:

- \$545 million in water and sewer and community facility loans.
- \$200 million in business and industrial loans.
- \$10 million in development grants.
- \$8 million for land inventory and monitoring programs.
- \$10 million for environmental quality.
- \$5 million in grants to Land Grant Colleges for a special rural development research and education program.

In addition, funds under other Federal programs will be available in the selected areas, such as HUD's Comprehensive Planning and Management Assistance Program.

The basic responsibility for coordinating all aspects of rural development, including assistance from private, State, Federal, and other sources, will rest with the State and local officials most directly concerned. Principal reliance for determining the scope, content, direction, and pace of community development efforts will rest with knowledgeable local officials and citizens--those closest to the problem and most familiar with the needs, opportunities, and aspirations of the citizens.

Other Authorities Provided by the Act

In addition to the national rural development program authorized by P. L. 92-419, the Act authorized two new programs that will be carried out under the FY 1974 Budget, and amended previously existing program authorities.

The Young Farmer Loan Program will provide guaranteed and insured loans to youths who are rural residents to enable them to operate enterprises in connection with their participation in 4-H Clubs, Future Farmers of America, and similar organizations. These loans will be available in all rural areas, not just the special rural development areas discussed above. The program will be administered by the Farmers Home Administration. Insured loans will be made as part of the regular FHA farm loan programs.

The National Land Inventory and Monitoring Program will provide for the first time a comprehensive inventory and continuing survey of the condition of the Nation's soils, water, and related resources. It will include studies and surveys of erosion and sediment damage, flood plain identification and use, land use changes and trends, and any degradation of the environment resulting from improper use of soil, water, and related resources. The program will involve the concerted efforts of many Federal and non-Federal agencies, under the overall guidance of the Soil Conservation Service (SCS) of the Department of Agriculture. Eight million dollars in new funds is included in the FY 1974 Budget to initiate the program, for expenses of SCS and other USDA agencies cooperating in the program.

Other Amendments. In addition to the above programs, the Act also includes amendments strengthening a number of existing farm and natural resource conservation and development programs that can be implemented without additional funding in FY 1974. Many of these authorities have already been implemented. Authority to guarantee and insure loans for rural electrification and telephone systems (to replace the current direct loan program with 2 percent interest) has been implemented. The extent to which other new authorities will be put into effect is currently under review.

FEDERAL OUTLAYS, 1970-72

The Appendix contains outlays for Federal programs for each of the three fiscal years 1970, 1971, and 1972. ^{7/} Some programs are combined into

^{7/} Data compiled for the Executive Office of the President by the Office of Economic Opportunity (OEO) provide the basis for this analysis. These data are supplied by the various Federal agencies to OEO, which has responsibility for the preparation of the Federal Outlays report. These outlay data are subject to a number of limitations. Nevertheless, they represent the best comprehensive set of data on a geographical basis for detailed Federal program outlays. In using Federal outlay data, this section pertains only to that portion of Government-assisted services provided directly through Federal programs. It does not include that portion of programs which are supported by State and local governments, nor does it include the matching contribution of State and local units under the various Federal programs. Thus, the measures in this report do not measure the total availability of Government-assisted services but only that share provided through Federal programs.

categories, either because listing as separate programs would not serve a useful purpose (major housing programs of HUD), or because of year-to-year variations in agency delineation of the components of programs (maternal and child health of the Department of Health, Education, and Welfare). Many programs of HEW that were included in preceding reports of government services in rural areas were not included in the Appendix because FY 1972 available data were not comparable to program data for fiscal years 1970 and 1971.

Numerous problems occur in making year-to-year comparisons of outlay data for specific programs of the Federal agencies. Changing priorities among agency programs from year to year can cause fluctuations in outlays for individual programs. Also, new activities, or a recombination of old activities for purposes of reporting outlays, can create major problems in attaining comparability of outlays for programs or groups of programs among years. This, especially, was a major problem with HEW outlay data. A great deal of variability exists among agencies, and even among programs within agencies, in procedures, for allocating total outlays among counties. For these and other reasons, considerable caution should be exercised in comparing outlays for fiscal years 1970-72.

Efforts are being made, and will continue, to improve the year-to-year comparability of outlay data in the Federal Information Exchange System.

The outlay data in the Appendix include total dollars for the United States, rural outlays in dollars, and rural outlays as a percent of the U.S. total. (For purposes of allocating Federal outlays, rural is defined as all counties outside SMSA's plus those counties within SMSA's with a population density of less than 100 people per square mile.)

The proportion of total Federal outlays applicable to rural areas increased slightly during fiscal years 1970-1972--from 34.6 percent (FY 1970) to 35.1 percent (FY 1972). These percentages of total outlays compare with a total rural population (using the above definition) of 35.7 percent of total (Census of 1970).

When evaluating individual Federal programs, however, there are frequently good reasons for program outlays being sharply at variance with the population distribution between urban and rural areas. Program outlays should be assessed in terms of the relevance of particular programs to problems or deficiencies in rural areas. Most USDA programs are intended to serve farm and rural people, while many other Federal programs are targeted substantially toward the cities--for example, Model Cities and urban housing programs. Location of defense contracts should be related to the location of contractors best qualified to serve the public interest. Social Security, Public Assistance, and Veterans' Administration program outlays should be allocated geographically in relation to the location of eligible recipients of these programs. Such considerations make it impossible to render a clear-cut judgment about the equity of the allocation of most Federal program outlays between rural and urban areas on the basis of data on outlays alone.

Nevertheless, some inequities in the rural-urban sharing in Federal program services are evident from the outlay data presented in the Appendix. About half of the poor reside in rural areas, yet rural people receive

significantly less than half of the Food Stamp bonus coupons, manpower training program services of both the Department of Labor and HEW, ESEA funds, 8/ public welfare assistance, and OEO legal services. Also, the allocation of health program services of HEW, OEO, and the Veterans' Administration appears to be disproportionately low in rural areas in relation to the percent of population in rural areas. Such program allocations between rural and urban areas have been discussed in preceding annual reports on the availability of government services to rural areas. This report merely reveals a continuation of these relationships as indicated by the FY 1972 outlay data.

However, some Federal program outlays of significance for rural development and to rural people did increase consistently during the 3-year period as compared to outlays in urban areas. Examples are: Head Start and Follow Through, Job Opportunities in the Private Business Sector, MDTA Public Service Careers; and EPA construction grants for waste treatment.

8/ ESEA refers to Elementary and Secondary Education Act of 1965.

Appendix

Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas

Department or agency and program	Fiscal year 1970				Fiscal year 1971				Fiscal year 1972			
	Total		Rural		Total		Rural		Total		Rural	
	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total
Department of Agriculture												
Feed grain direct payments.....	1,268.1		1,155.5	91.9	1,503.2		1,372.8	91.3	1,053.8		957.4	90.9
Cotton direct payments.....	819.6		748.1	91.3	917.5		839.2	91.5	824.0		755.2	91.6
Wheat direct payments.....	833.5		786.9	94.4	873.2		827.2	94.7	831.0		787.2	94.6
Commodity loans--gross.....	2,323.5		2,180.8	93.9	1,740.9		1,631.9	94.2	2,469.3		2,469.3	92.3
Storage facility loans.....	50.3		48.6	96.7	30.0		28.9	96.2	120.3		113.3	94.2
Reseal loan storage payments.....	72.3		70.5	97.5	69.4		68.1	98.2	48.2		47.7	99.0
Commodity Credit Corporation--Inventory operations.....												
Wool Act program.....	685.8		321.9	46.9	708.9		338.6	47.8	750.5		379.5	50.3
Sugar Act program.....	93.0		46.1	49.5	68.9		64.7	93.9	109.4		102.1	93.3
Cropland adjustment program.....	75.0		67.0	88.9	85.9		64.7	75.4	86.1		69.1	80.2
Public access program.....	2.3		2.1	91.3	2.2		2.0	91.3	2.0		1.8	91.3
Crop insurance indemnity payments.....	52.9		48.3	91.4	38.9		35.5	91.1	29.3		27.6	94.2
Farm ownership loans.....												
Farm operating loans.....	261.3		248.5	95.1	268.2		255.9	95.4	348.8		333.2	95.5
Soil and water loans to individuals.....	274.8		257.1	93.6	274.9		285.3	94.0	337.2		317.6	94.2
Irrigation loans.....	4.7		4.5	95.5	8.6		8.4	97.6	5.4		5.2	95.6
Emergency loans.....	7.7		7.1	92.5	6.9		6.9	100.0	7.3		6.4	88.1
Low-moderate income housing loans.....	89.1		82.5	92.6	127.1		119.9	94.4	108.6		100.4	92.4
Rural rental housing loans.....	734.7		657.9	90.0	1,362.2		1,197.4	87.9	1,561.2		1,378.3	88.3
Farm labor housing loans and grants.....	28.4		24.0	84.4	26.8		23.6	88.0	40.1		35.2	87.8
Very low income housing loans.....												
Water system loans.....	3.7		3.0	81.4	1.2		1.2	98.8	9.4		6.5	69.5
Sewer system loans.....	5.2		5.0	96.1	5.5		5.4	97.7	5.3		5.1	96.1
Water and sewer system loans.....	106.4		97.6	91.7	156.4		143.3	91.6	180.3		164.7	91.4
Water system development grants.....	27.3		23.3	85.3	70.5		62.8	89.1	81.5		67.3	82.6
Sewer system development grants.....	12.3		12.2	98.9	34.8		32.3	92.8	38.2		36.6	96.0
Sewer system development grants.....	21.0		19.2	91.4	19.3		18.0	93.1	19.1		18.2	95.4
Water and sewer system development grants.....												
Water and sewer planning grants.....	16.8		15.0	89.4	16.3		14.3	87.3	15.5		13.8	89.0
Rural electric loans.....	5.2		5.2	99.3	5.7		5.6	97.1	5.3		5.0	95.4
Rural telephone loans.....	1.3		1.3	100.0	2.7		2.7	100.0	4.1		4.1	100.0
ACP or REAP.....	343.5		320.0	93.2	361.8		335.1	92.6	438.3		406.2	92.7
Emergency conservation measures.....	125.0		113.1	90.5	125.0		112.8	90.2	133.7		126.1	94.3
	180.2		158.2	87.8	165.3		145.6	88.1	157.4		138.7	88.1
	8.4		6.9	82.2	18.4		15.5	84.0	11.1		10.8	97.3

--Continued

Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas--Continued

Department or agency and program	Fiscal year 1970			Fiscal year 1971			Fiscal year 1972		
	Total	Rural	Percent of total	Total	Rural	Percent of total	Total	Rural	Percent of total
	Million dollars	Million dollars		Million dollars	Million dollars		Million dollars	Million dollars	
Department of Agriculture--Continued									
Appalachian regional conservation program.....	2.5	2.4	96.8	2.1	2.0	96.7	1.7	1.6	94.1
Great Plains conservation program.....	15.2	14.4	95.2	16.0	15.1	94.6	10.6	10.5	99.0
Conservation technical assistance.....	112.6	84.8	75.3	116.0	87.1	75.1	129.2	97.8	75.7
Soil survey program.....	21.3	11.7	54.8	22.8	12.5	55.0	25.0	13.9	55.6
Conservation plant materials centers.....	1.1	.9	80.9	1.3	1.0	78.9	2.0	1.2	60.0
Resource conservation and development.....	9.7	8.1	83.6	13.6	11.3	83.3	5.3	4.8	90.6
Watershed planning.....	7.3	2.9	38.9	6.9	2.7	38.9	7.6	2.9	38.2
Flood prevention.....	21.2	18.6	87.7	19.5	17.1	87.4	11.1	10.1	91.0
Watershed works of improvement.....	64.7	45.2	69.8	76.5	52.0	68.0	71.4	58.3	81.6
River basin surveys and investigation.....	6.5	1.6	24.5	7.0	2.0	28.6	7.5	2.0	26.7
Forest roads and trails program.....	140.4	118.0	84.1	151.3	128.2	84.7	158.0	131.5	83.2
Share revenues from national forests.....	78.0	75.1	96.3	71.0	68.2	96.0	56.6	54.2	95.7
Plant and animal disease and pest control.....	80.6	21.8	27.0	85.2	23.5	27.5	75.9	10.5	13.8
Farmer Cooperative Service.....	1.7	0.0	0.0	1.9	0.0	0.0	1.9	0.0	0.0
Agricultural Research Service research.....	145.7	51.3	35.2	161.1	54.2	33.6	194.9	71.3	36.6
Grants for research.....	60.8	33.8	55.6	69.3	39.0	56.3	82.6	47.4	57.3
Economic Research Service.....	15.1	1.8	12.2	15.9	2.0	12.6	16.3	1.6	10.1
Meat and poultry inspection.....	122.6	47.9	39.1	141.9	54.0	38.0	158.7	29.9	18.8
Direct food distribution to families.....	229.1	119.1	52.0	300.2	203.8	67.9	311.4	206.9	66.4
Direct food distribution to institutions.....	17.6	8.0	45.6	27.3	11.5	42.0	40.9	17.2	43.3
Direct food distribution to schools.....	110.6	55.2	49.9	168.9	88.7	52.5	222.4	121.6	54.7
Donation of commodities to school lunch.....	54.1	30.8	57.0	69.7	34.7	49.7	103.2	52.1	50.5
School lunch program--cash payments.....	180.3	90.4	50.1	438.9	235.2	53.6	683.7	350.9	51.3
Special food service program for children.....	5.5	3.0	54.3	14.5	3.9	26.6	27.3	6.9	25.1
Child breakfast program.....	6.4	3.3	51.0	16.7	8.0	47.9	24.1	10.7	44.4
Non-food assistance to schools.....	11.8	7.2	61.1	25.4	14.8	58.3	14.7	7.8	53.1
Purchase of commodities for direct food distribution.....	248.2	86.6	34.9	62.5	18.7	29.9	63.3	24.1	38.1
Food stamp bonus coupons.....	452.6	238.6	52.7	1,554.8	652.7	42.0	1,786.6	754.3	42.2
Other food stamp program costs.....	9.5	1.4	14.5	12.2	1.8	14.8	16.5	2.6	15.8
Total, selected programs, USDA.....	10,815.5	8,792.4	81.3	12,840.5	9,916.7	77.7	14,538.6	11,096.2	76.3

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Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas--Continued

Department or agency and program	Fiscal year 1970			Fiscal year 1971			Fiscal year 1972		
	Total	Million dollars	Percent of total	Total	Million dollars	Percent of total	Total	Million dollars	Percent of total
Department of Commerce									
Grants and loans for development facilities.....	109.5	98.0	89.5	80.4	47.1	58.5	130.2	99.6	76.5
Loans to business or development companies.....	35.9	22.6	62.8	31.5	24.0	76.3	49.8	32.5	65.2
Economic development--technical assistance, research and information.....	12.3	2.6	21.5	13.0	2.9	22.0	12.5	2.4	19.5
Economic development--public works.....	50.6	41.5	82.0	81.7	73.8	90.3	46.7	36.3	77.7
River and flood forecasting.....	5.8	0.4	6.7	5.9	0.6	9.4	5.7	0.7	11.7
Weather and climate guidance.....	134.8	22.3	16.6	140.4	25.6	18.2	166.8	42.2	25.3
Operating differential subsidies.....	193.9	0.0	0.0	252.4	0.0	0.0	214.0	0.0	0.0
Construction differential subsidies.....	67.8	10.8	15.9	172.2	22.4	13.0	279.5	33.3	11.9
Geodetic control surveys and tideland study.....	8.2	0.2	2.5	7.2	0.2	2.2	7.1	0.2	2.6
Personal census age research.....	1.2	1.1	93.8	1.3	1.3	99.6	1.2	1.2	98.7
Census data.....	140.2	27.7	19.7	96.7	3.8	3.9	72.3	2.7	3.7
Total, selected programs, USDC.....	760.2	227.2	29.9	882.7	201.7	22.9	985.8	251.1	25.5
Department of Defense									
Civilian pay.....	10,262.8	2,528.7	24.6	11,139.9	2,929.7	20.6	11,320.2	2,890.8	25.5
Military active pay.....	10,095.7	3,921.9	38.9	11,111.8	4,486.2	40.4	11,782.0	4,649.6	39.5
Military reserve and national guard.....	904.7	284.7	31.5	963.8	290.6	30.2	1,003.2	313.9	31.3
Military retired pay.....	2,478.8	627.1	25.3	3,102.3	812.1	26.2	3,587.1	997.4	27.8
Military prime supply contracts.....	17,674.0	3,231.4	18.3	16,762.4	2,850.3	17.0	19,460.7	4,166.8	21.4
Military prime RTE contracts.....	5,410.0	795.8	14.7	5,492.4	921.2	16.8	5,804.2	997.2	17.2
Military prime service contracts.....	6,081.8	1,355.4	22.3	5,363.0	1,221.8	22.0	5,882.5	1,419.9	24.1
Military prime construction contracts.....	750.5	410.5	54.7	1,023.5	387.7	37.9	1,233.2	612.4	49.7
Civil functions prime contracts.....	571.1	371.7	65.0	829.4	502.8	60.6	1,009.5	543.4	53.8
Prime contracts of less than \$10,000.....	3,424.0	678.1	19.8	3,380.4	710.1	21.0	3,595.6	773.1	21.5
Total, selected programs, DOD.....	57,653.4	14,205.3	24.6	59,368.9	15,112.5	25.5	64,678.2	17,364.5	26.8
Department of Health, Education, and Welfare									
Manpower training.....	157.3	22.9	14.6	137.5	21.5	15.6	136.7	23.1	16.9
Vocational and adult education.....	370.8	62.5	16.9	451.2	81.2	18.0	498.2	80.6	16.2
Health manpower.....	144.7	32.1	22.2	231.7	39.2	16.9	520.0	104.5	20.1

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Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas--Continued

Department or agency and program	Fiscal year 1970				Fiscal year 1971				Fiscal year 1972			
	Total		Rural		Total		Rural		Total		Rural	
	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total
Health facilities construction.....	403.8	31.2	126.0	31.2	154.7	49.5	49.5	32.0	184.7	26.2	26.2	14.2
Vocational rehabilitation basic support.....	436.0	53.1	231.6	53.1	501.5	268.1	268.1	53.5	560.0	296.8	296.8	53.0
Head Start and Follow Through.....	406.6	42.7	173.8	42.7	389.8	171.4	171.4	44.0	353.2	163.3	163.3	46.2
Educationally deprived children (ESEA).....	1,326.8	48.3	641.3	48.3	1,462.1	648.7	648.7	44.4	1,548.7	656.8	656.8	42.4
Maintenance and operation of schools (SAFA).....	507.6	39.3	199.5	39.3	481.0	188.7	188.7	39.2	551.2	224.6	224.6	40.8
Strengthening state departments of education..	29.7	5.6	5.6	18.8	30.1	6.2	6.2	20.5	31.2	6.6	6.6	21.2
Higher education opportunity grants.....	167.8	39.8	66.8	39.8	214.0	81.3	81.3	38.0	177.0	66.4	66.4	37.5
Maternal and child health.....	224.4	28.1	63.0	28.1	219.6	79.1	79.1	36.0	329.0	95.7	95.7	29.1
Child welfare services.....	56.0	37.8	21.1	37.8	46.0	19.5	19.5	42.5	45.8	21.5	21.5	47.1
Special benefits for disabled coal miners.....	7.1	3.9	3.9	54.8	297.2	179.8	179.8	60.5	404.6	247.7	247.7	61.2
Social security.....	28,390.7	39.2	11,120.6	39.2	33,560.9	13,184.6	13,184.6	39.3	38,860.5	15,339.1	15,339.1	39.5
Health insurance for aged.....	6,717.3	38.2	2,566.2	38.2	7,374.5	2,809.4	2,809.4	38.1	9,619.9	3,664.9	3,664.9	38.1
Public assistance.....	4,309.0	40.6	1,748.4	40.6	5,617.1	2,023.4	2,023.4	36.0	5,694.0	1,968.9	1,968.9	34.6
Total, selected programs, HEW.....	43,655.6	39.1	17,085.3	39.1	51,168.9	19,851.6	19,851.6	38.8	59,514.7	22,986.7	22,986.7	38.6
Department of Housing and Urban Development												
Urban renewal programs.....	1,151.0	27.5	317.0	27.5	993.8	248.6	248.6	25.0	1,037.1	243.0	243.0	23.4
Public facility loans.....	40.1	80.0	32.1	80.0	38.3	30.1	30.1	78.7	18.6	14.9	14.9	80.0
Basic water and sewer facilities.....	144.3	37.1	53.6	37.1	109.3	47.9	47.9	43.8	191.7	82.7	82.7	43.1
Model cities.....	277.4	18.9	52.6	18.9	483.1	66.7	66.7	13.8	590.0	95.9	95.9	16.2
Other community programs 1/.....	36.3	30.2	11.0	30.2	106.4	21.8	21.8	20.5	217.3	46.4	46.4	31.0
Insurance for property improvement.....	669.5	27.5	184.3	27.5	572.2	165.3	165.3	28.9	600.3	186.3	186.3	31.0
College housing.....	66.0	35.2	23.2	35.2	41.7	13.8	13.8	33.1	26.6	7.4	7.4	27.9
Housing for elderly and handicapped.....	5.2	1.1	1.1	20.9	5.2	1.3	1.3	25.0	3.9	0.0	0.0	0.0
Mortgage insurance for cooperative housing.....	8.6	0.0	0.0	0.0	11.8	10.4	10.4	88.0	1.2	0.0	0.0	0.0
Mortgage insurance for urban renewal housing...	20.4	7.2	1.5	7.2	30.2	0.0	0.0	0.0	64.3	2.3	2.3	3.5
Mortgage insurance for nursing homes.....	88.5	34.7	30.7	34.7	78.8	24.6	24.6	31.2	98.2	28.3	28.3	28.9
Mortgage insurance for senior citizens housing.....	1.4	100.0	1.4	100.0	2.4	0.9	0.9	39.6	2.7	0.0	0.0	0.0
All other housing programs.....	9,196.4	20.9	1,923.8	20.9	11,303.7	2,574.1	2,574.1	22.8	11,824.8	2,299.2	2,299.2	22.8
Total, selected programs, HUD.....	11,707.1	22.5	2,632.3	22.5	13,776.9	3,205.5	3,205.5	23.3	14,676.7	3,006.4	3,006.4	20.5

1/ Includes the following for nonmetropolitan planning districts: \$2.8 million (131 districts) in fiscal year 1970, \$3.4 million (155 districts) in fiscal year 1971, and \$7.7 million (260 districts) in fiscal year 1972.

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Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas--Continued

Department or agency and program	Fiscal year 1970				Fiscal year 1971				Fiscal year 1972			
	Total		Rural		Total		Rural		Total		Rural	
	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total	Million dollars	Percent of total
Department of the Interior												
Programs for American Indians.....	329.6	247.7	75.2		410.9	323.4	78.7		462.0	352.2	76.2	
Outdoor recreation assistance.....	54.6	32.2	59.0		115.4	53.5	46.4		202.0	84.9	42.0	
Parks and forests.....	118.0	62.4	52.9		157.8	98.3	62.3		181.3	101.0	55.7	
Water resources.....	390.4	341.6	87.5		345.6	271.3	78.5		441.2	340.3	77.1	
Total, selected programs, USDI.....	892.6	683.9	76.6		1,029.7	746.5	72.5		1,286.5	878.4	68.3	
Department of Justice												
Grants for law enforcement assistance.....	266.8	38.7	14.5		425.8	59.0	13.9		679.1	119.5	17.6	
Department of Labor												
On-the-job training.....	48.3	11.9	24.6		36.1	3.5	9.7		52.7	3.7	7.1	
MDTA--institutional training.....	232.7	70.7	30.4		275.8	74.2	26.9		323.6	84.5	26.1	
Placement services.....	334.8	80.0	23.9		402.4	93.9	23.3		380.8	92.2	24.2	
Concentrated employment program.....	176.1	36.7	20.8		155.0	29.3	18.9		144.8	28.8	19.9	
Job opportunities in private business sector...	168.8	25.7	15.2		150.2	37.7	25.1		86.1	30.5	35.4	
Neighborhood Youth Corps.....	306.0	124.6	40.7		418.5	163.2	39.0		516.5	192.1	37.2	
Work incentive program.....	78.8	14.8	18.8		62.3	6.0	9.7		111.7	15.6	14.0	
MDTA public service careers.....	38.4	6.7	17.4		43.3	8.9	20.6		34.4	11.1	32.2	
Operation mainstream.....	51.0	33.6	65.9		71.6	47.7	66.7		85.1	48.7	57.2	
Unemployment insurance.....	470.3	127.4	27.1		759.2	217.6	28.7		953.5	272.7	28.6	
Federal employee injury compensation.....	131.1	83.5	63.7		163.2	92.9	56.9		190.0	58.6	30.9	
Job Corps.....	110.3	46.3	42.0		113.2	38.5	34.0		147.6	49.5	33.5	
Total, selected programs, USDL.....	2,146.6	661.9	30.8		2,650.8	813.4	30.7		3,026.8	888.0	29.3	
Department of Transportation												
Highway planning and construction.....	4,637.4	2,177.6	47.0		4,569.9	2,268.2	49.6		4,921.8	2,396.9	48.7	
Highway studies.....	206.7	96.6	46.8		77.8	14.3	18.4		73.6	13.8	18.7	
National highway safety.....	82.0	11.1	13.6		90.8	13.7	14.9		72.1	13.8	19.1	
Total, selected programs, DOT.....	4,926.1	2,285.3	46.4		4,738.5	2,296.0	48.5		5,067.5	2,424.5	47.8	

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Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas--Continued

Department or agency and program	Fiscal year 1970			Fiscal year 1971			Fiscal year 1972		
	Total	Rural		Total	Rural		Total	Rural	
	Million dollars	Million dollars	Percent of total	Million dollars	Million dollars	Percent of total	Million dollars	Million dollars	Percent of total
<u>General Services Administration</u>									
Disposal of Federal surplus real property.....	43.7	6.0	13.8	63.2	60.8	96.1	57.2	41.8	73.1
Donation of Federal surplus personal property.....	11.6	4.5	38.9	13.8	5.7	41.1	41.8	9.7	23.3
Total, selected programs, GSA.....	55.3	10.5	19.0	77.0	66.5	86.4	99.0	51.5	52.0
<u>ACTION</u>									
VISTA.....	31.2	10.2	32.8	27.8	9.3	33.3	30.0	2.2	7.3
<u>Environmental Protection Agency</u>									
Construction grants for waste treatment.....	424.9	62.4	14.7	1,053.4	114.6	10.9	787.2	226.9	28.8
<u>Office of Economic Opportunity</u>									
Assistance for migrants.....	32.3	12.3	38.1	37.1	14.5	39.1	37.2	11.4	30.6
Community action programs.....	537.3	181.7	33.8	493.8	169.9	34.4	302.3	110.9	36.7
Legal services.....	54.5	9.0	16.5	64.5	10.7	16.6	60.2	9.2	15.3
Neighborhood health centers.....	72.4	10.8	14.9	209.3	58.8	28.1	155.4	34.0	21.9
Total, selected programs, OEO.....	696.5	213.8	30.7	804.7	253.9	31.6	555.1	165.5	29.8
<u>Small Business Administration</u>									
Economic opportunity loans to small business...	70.3	22.3	31.7	90.6	28.5	31.4	88.9	30.6	34.4
Loans to State and local development companies.....	61.9	44.6	72.1	55.6	39.8	71.5	76.5	52.4	68.5
Small business financial assistance programs...	461.5	225.0	48.8	811.0	376.6	46.4	1,192.6	553.7	46.4
Small business investment company programs...	60.8	3.8	6.2	47.7	3.2	6.7	42.6	2.8	6.6
Disaster loans.....	175.1	84.3	48.1	298.4	77.5	26.0	322.9	80.1	24.8
Total, selected programs, SEA.....	829.6	380.0	45.8	1,303.3	525.6	40.3	1,723.5	719.6	41.8

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Federal outlays for selected programs in fiscal years 1970, 1971, and 1972--total and proportion applicable to rural areas--Continued

Department or agency and program	Fiscal year 1970			Fiscal year 1971			Fiscal year 1972		
	Total	Rural	Percent of total	Total	Rural	Percent of total	Total	Rural	Percent of total
	Million dollars	Million dollars		Million dollars	Million dollars		Million dollars	Million dollars	
Veterans' Administration									
Veterans hospitalization.....	1,668.2	416.8	25.0	1,915.1	477.1	24.9	2,253.6	549.6	24.4
Construction of medical facilities.....	74.6	6.0	8.0	85.1	7.9	9.3	109.9	12.9	11.7
Veterans disability pension.....	1,357.1	537.3	39.6	1,386.3	549.1	39.6	1,476.6	587.5	39.8
Dependency, indemnity, and death compensation.....	594.6	236.2	39.7	645.3	255.0	39.5	699.7	277.1	39.6
Veterans death pension.....	907.4	334.5	36.9	963.7	354.4	36.8	1,065.6	393.4	36.9
Veterans disability compensation.....	2,394.7	856.9	35.8	2,731.1	977.2	35.8	2,803.3	1,007.7	35.9
Rehabilitation training for disabled veterans.....	41.6	15.4	37.1	73.4	26.9	36.6	82.6	29.3	35.4
Sons, daughters, wives and widows education.....	51.9	23.1	44.4	70.6	30.2	42.8	76.6	31.8	41.5
Veterans readjustment training.....	938.8	322.8	34.4	1,521.7	523.9	34.4	1,812.4	634.3	35.0
Veterans insurance and indemnities.....	865.9	290.1	33.5	850.9	282.1	33.2	919.3	304.0	33.1
Veterans guaranteed and insured loans.....	3,923.4	650.2	16.6	4,389.7	787.7	17.9	8,119.6	1,638.8	20.2
Veterans direct loans.....	152.5	108.1	70.9	118.7	78.8	66.4	82.6	56.2	68.0
Total, selected programs, VA.....	12,970.7	3,797.4	29.3	14,751.6	4,350.3	29.5	19,491.8	5,522.6	28.3
Total, selected programs, all Departments or Agencies.....	147,832.1	51,086.6	34.6	164,900.5	57,556.1	34.9	187,062.7	65,693.6	35.1